

# **ECOS-EPA Alignment-PPA Work Group Evaluation Results**

**Final Draft**

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## Summary of Findings

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### Context

The following summary provides an overview of the findings from the ECOS-EPA Alignment-Performance Partnership Agreement (PPA) Work Group's evaluation of planning and PPA improvements implemented since the fall of 2003. The evaluation results are based primarily on 70 interviews that were conducted between September and October 2004 with nine states, ten EPA regions, and five EPA national programs. The results also consider a review of EPA Regional Plans, National Program Manager guidance, and the PPAs and PPGs associated with the states interviewed. Through the evaluation, the Alignment-PPA Work Group hoped to learn how joint planning and the recent reforms are working throughout all levels in EPA and states and to identify ideas for further improvements. The evaluation covered four major topic areas:

1. Extent of and reasons for joint planning;
2. Focusing resources on priorities and needs;
3. PPAs as meaningful management tools; and
4. Additional improvements still needed.

This results report covers these topics and a set of related sub-topics. Ideas on future improvements gathered from the interviews are provided in the main body of the report following this summary of findings in conjunction with their associated topic areas. In November and December of 2004, the Work Group developed a set of recommendations for future improvements based in large part on the evaluation results. EPA and states will work to implement these recommendations beginning in 2005.

### Summary of Findings

**Experiences and Perspectives → States interviewed, EPA regions, and EPA national programs are operating along a “continuum” of experience and perspectives.**

Past experience has often led to current experience and perspectives. Few states interviewed, regions, or national programs have experienced significant shifts in experience or attitudes over the past year.

**Awareness of Changes to Planning Alignment and PPAs → Many states interviewed, all EPA regions, and all EPA national programs were aware of changes made to planning alignment and PPAs over the last year; some states overall and some media programs within states, EPA regions, and EPA national programs were not aware of them.**

- EPA in general was more aware of the changes than were the states interviewed.
- Programs within EPA and the states interviewed were less aware than senior leaders and central planners.
- Awareness of specific opportunities for state-EPA engagement was greater about awareness of how all the planning processes and windows of opportunity for engagement fit together.
- Awareness of the last year's changes affected interviewees' understanding of “what is in it for them” and, in some cases, the extent to which they took joint planning seriously.

**Experiences with Major EPA Planning Processes → Mixed results: Noted improvements to specific EPA processes, but more is still needed with the specifics and painting a “roadmap” of all of the processes and how they fit together.**

## Alignment-PPA Work Group Evaluation Results

### *In General*

- Most parties noted several improvements to the major EPA planning processes and believed, despite some specific challenges, that the changes are headed in the right direction. Many were unclear about how the planning processes and the changes to them fit together.
- A majority of state-EPA interaction is focused on state-region negotiations around PPAs, PPGs, categorical grants, and other formal state-EPA agreements.
- Most regions and states interviewed have formal processes in place for working with each other.
- The level of state engagement on major EPA planning processes ranged from none (several states) to substantive engagement in each process (a couple of states). Roughly half of the states and regions engaged more in the past year than previously.
- States received little or no information about how EPA used their input.
- Everyone agrees that all avenues for joint engagement – including ECOS, the national state professional media associations, regional organizations, and direct state-EPA involvement – play important roles that together make up the full complement of opportunities and leverage points.
- In general, states and EPA interviewees agree that holding face-to-face meetings between states and EPA is a more effective way to strategize, plan, and negotiate than is document review.

### *EPA Regional Plans*

- The regions and states interviewed had mixed experiences around the Regional Plans.
- For the most part, state involvement was limited and did not result in major changes. Most of the states interviewed did not find the Plans to be useful for raising and promoting state priorities.

### *EPA National Program (NPM) Guidance Documents*

- The states interviewed generally found the documents to be long and dense; “honing in” on what was most relevant for them was a challenge.
- The states interviewed received very little information about how their comments were used.
- Two EPA programs noted that the input they received from states during the initial conceptualization and drafting process was quite helpful. Other national programs did not have substantial engagement with states either before or after the drafting stage.
- Feedback received from states was marginally influential for some programs, and quite influential for (a minority of) other programs.

### *EPA Annual Regional Performance Commitments*

- The states interviewed appreciated the opportunity to view the draft regional performance commitments. However, the information was only useful to the states if it was broken out at the state level (which some regions did) and if it was clear how the draft commitments related to existing agreements.
- Some of the states interviewed were not aware of the regional performance commitments.

### **Planning Alignment → Improvements seen within EPA, but improvements still needed to coordinate around state, state-region, and national planning cycles.**

#### *Planning Process Alignment*

- Only a handful of interviewees understood the connections between the major planning processes and states’ relationships to those processes, but those who understood generally agreed that internal EPA planning alignment has improved – and will most likely continue to improve.

## **Alignment-PPA Work Group Evaluation Results**

- Most interviewees noted significant disconnects between state – and state-region – planning cycles and the EPA national planning cycles, and that these disconnects can cause problems around planning and conflicts with existing state-region commitments.
- Several interviewees thought that the state-EPA (and, in particular state-region and region-national) timing disconnects are the largest obstacle to improved joint planning. The timing constrains the ability of EPA to introduce changes after regions and states have made agreements – and the states interviewed often do not think that the EPA plans are as relevant to them if they have already negotiated their commitments with the regions.

### *Alignment of State and EPA Priorities*

- Neither the states interviewed nor the EPA parties interviewed saw reaching alignment of state and EPA priorities as a significant problem.
- Interviewees in general thought that state and EPA priorities aligned at a high level, and that disagreements more often occur at the more detailed levels around strategies, operations, resources, and measures.

### **Focusing Resource on Priorities and Needs → Mixed results: Some examples of support for refocusing resources and some examples of not getting the support to do so.**

- Interviewees focused more on state requests than on EPA requests – perhaps because EPA requests are considered “status quo.”
- Less than half of the interviewees knew of examples of states making requests to shift resources or otherwise do work in an alternative or innovative fashion.
- Those states interviewed that had raised issues or requests were met with mixed responses. States and regions noted that most of the “road blocks” came from EPA national programs.
- Most of the resource shifts have been “at the margins” – there is a common perception that large resource shifts simply are not possible.

### **Strategic Thinking → The concept of “strategic thinking” did not resonate except around the strategic planning being undertaken by a few regions and states interviewed.**

- Most interviewees were unfamiliar with the concept.
- Interviewees provided only a few examples of how increased strategic planning helped to support requests or proposals for resource shifts or flexibility in approaches.
- A few states and regions noted that their internal strategic planning – and the strategic planning that sometimes occurs around PPAs – has led to more successful joint planning.

### **Performance Partnership Agreements (PPAs) and Performance Partnership Grants (PPGs) → Mixed experiences, many positive: not much change in the past year.**

#### *In General*

- For many regions and states interviewed, PPAs and PPGs are the primary focal point of state-EPA joint planning, including work planning.
- For several regions and states interviewed, PPAs and PPGs have been well worth the investment.
- For a few states interviewed, PPAs have not produced significant benefits beyond supporting PPGs, which have provided for some financial flexibility.

## Alignment-PPA Work Group Evaluation Results

- A few regions and states interviewed do not embrace PPAs (in particular) or PPGs, in large part due to perceptions of high transaction costs or low cost-to-benefit ratios.
- The states interviewed are interested in having PPAs reflect the commitments of their regions; a few noted that their PPAs seem one-sided because EPA's commitments are missing.
- The states interviewed and the regions noted that EPA national programs do not seem to know much about PPAs and PPGs, and that this lack of understanding causes misconceptions.
- The national programs generally do not track PPAs and PPGs. Most of the national program interviewees were concerned that PPAs and PPGs enable states to not be accountable to national program requirements.
- None of the states or regions interviewed thought that their PPA(s) or PPG(s) – or the process that led to them – had changed significantly over the past year.

### *“The Definitive Agreement”*

- Interviewees had mixed responses when asked if either EPA or states raised issues or made requests that conflicted with existing PPAs or PPGs. Some said that no conflicts arose; others said that conflicts arose fairly often. *When conflicts were noted, they sometimes related to the PPAs and PPGs and often related to state grant work plans that are not necessarily tied with PPAs or PPGs.*
- Both the states interviewed and the regions noted that the mid-course conflicts more often originate from EPA, and that the conflicts leave states (and some regions) discouraged about the “equal partnership” that their agreements are intended to solidify.
- Media program personnel in the regions and states interviewed noted more conflicts than did state directors and planners or EPA Deputy Regional Administrators (DRAs) and regional planners.
- Interviewees noted a range of issue areas, the most common being conflicts between the regional annual performance commitments and commitments identified in existing PPAs and PPGs.
- Conflicts that have arisen have generally been addressed informally or have become part of the next round of negotiations; formal “reopener” clauses have rarely been used.
- A few regions have been actively working on making their agreements “definitive” – where they have formal and informal systems in place to manage any requests for changes.

### **Summary of Overall Changes in the Past Year → Changes are moving in the right direction, but there is still substantial work to do.**

- Overall impressions of the changes in the past year were mixed.
- Some interviewees – mostly states – did not see any major changes.
- Other interviewees – both from states and EPA – see real progress in establishing true state-EPA partnerships, though many acknowledged that this is a long-term process.
- A few interviewees at the states, regions, and national programs were concerned about the changes. For example, a few EPA interviewees cited concerns about “unrealistic expectations” about states (and tribes) influencing national programs.
- Several interviewees at all levels believed that the changes over the past year have been positive – planning is more aligned and coherent, communication is improving, and the system is increasingly set up to accommodate both state and EPA priorities.
- Many understand that trust and relationship building are at the core of these issues.
- Everyone agrees that there is still substantial work to be done.

## I. Background in Brief

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EPA and states began implementing the joint planning improvements and related pilot projects in the Fall of 2003 (with the development of EPA's Regional Plans) and continued through each step in the 2004 planning cycle. Through the evaluation, the Alignment-PPA Work Group hoped to learn how joint planning and the recent reforms are working throughout all levels in EPA and states and to identify ideas for further improvements.

The evaluation covered four major topic areas:

1. Extent of and reasons for joint planning;
2. Focusing resources on priorities and needs;
3. PPAs as meaningful management tools; and
4. Additional improvements still needed.

This evaluation results report covers each of these topics as well as a series of related sub-topics. Ideas for future improvements gathered from the interviews are spread throughout the report in conjunction with their associated topic areas.

The evaluation results are based primarily on 70 interviews that were conducted between September and October 2004 with nine states, ten EPA regions, and five EPA national programs. State interviewees included the Director/Commissioner or Deputy, a senior planner, and a media or enforcement program manager. EPA regional interviewees included the Deputy Regional Administrator (DRA), a senior regional planner, and a regional program contact. National program interviewees (with the Office of Air and Radiation; Office of Enforcement and Compliance Assurance; Office of Prevention, Pesticides, and Toxic Substances; Office of Solid Waste and Emergency Response; and Office of Water) included the Deputy Assistant Administrator (DAA) or equivalent, a senior planner, and a program contact. The evaluation results also considered a review of EPA Regional Plans, National Program Manager guidance documents, and the PPAs and PPGs associated with the states interviewed.

## II. Tips for Interpreting the Results

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When interpreting the results of the evaluation, readers should keep in mind the following:

1. This paper does not provide a description of the improvements to planning alignment and PPAs made over the past year. Background documents are available on the websites of the EPA Office of the Chief Financial Officer (OCFO) (<http://www.epa.gov/ocfo/>), the EPA Office of Congressional and Intergovernmental Relations (OCIR) (<http://www.epa.gov/ocir/nepps>), and the Environmental Council of the States (ECOS) (<http://www.ecos.org/>).
2. Regions influence the perspectives of their respective states and vice versa. States interviewed were more likely to have a positive outlook on the state-regional planning partnership in regions with a track record of engaging states and trying hard to both listen to and accommodate state priorities.
3. The interviewees' perspectives depended in large part upon their position and affiliation. Senior managers, central planners, and program managers all see some things differently, though there are also some similarities in perspectives across the chains of command. Similarly, with a few exceptions, states, regions, and national programs tended to have different perspectives.

## **Alignment-PPA Work Group Evaluation Results**

4. The results of the OCFO internal EPA planning alignment evaluation are being communicated separately by OCFO. However, this report addresses issues raised during the interviews that relate to state-EPA planning. For example, many interviewees believed that the dynamics between the EPA regions and EPA national programs have a large influence on state-EPA relations in general.
5. Finally, although the nine states interviewed represent a diversity of state perspectives, they do not represent the views of all states.

### **III. Variation in Experiences and Perspectives**

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The EPA regions, and EPA national programs, and states interviewed are operating along a “continuum” of experience and perspectives. Past experience has often led to current experience and perspectives, and relatively few of the states interviewed, regions, or national programs have experienced significant shifts in experience or attitudes over the past year.

- The experience and perspectives of EPA regional and national program interviewees varied substantially. A few regions and the states interviewed in those regions have been working on improved state-EPA coordination and priorities for years, and recent changes simply bolstered their already strong efforts. Other EPA and state interviewees are only starting to think about these things.
- The states interviewed vary substantially in their interest, experience, and perspectives on the value of increased coordination and joint planning.
- At all levels, particular individuals and the leadership (or, in some cases, lack of interest or leadership) exercised by individuals has played a major role in the overall experience.
- In general, less experience and interest in the past is associated with less activity and interest in the present. Similarly, negative experiences in the past relate to negative attitudes in the present, and positive experiences in the past have led to positive attitudes in the present.

### **IV. Awareness of Changes to Planning Alignment and PPAs**

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Awareness of the last year’s changes affected interviewees’ understanding of “what is in it for them” and, in some cases, the extent to which they took joint planning seriously.

- Awareness of the specific and overall changes to planning alignment and PPAs was mixed. EPA headquarters and regions were generally more aware of changes – both specific and overarching – than were the states interviewed. Within the states interviewed, roughly half of the state planners and program managers were not aware of the changes. Within the regions, all parties were aware, including DRAs, planners, and program managers. At the EPA national programs, all of the DAAs and program planners were aware, and roughly half of the program contacts were aware.
- Both the states interviewed and EPA were more aware of specific opportunities (e.g., invitation to provide input on the EPA Regional Plans) than they were of how all the planning processes came together – and the intent of involving states at strategic points along the way. Several discussed the need for a “big picture road map” of planning processes.
- Relatively few interviewees were aware of the PPA improvements. In some cases, this was due to the timing of the PPA negotiations, which occurred in 2003 or early 2004.



## Alignment-PPA Work Group Evaluation Results

- Overall, the pilot states interviewed and pilot regions were more aware of the changes than were non-pilot states interviewed and non-pilot regions.
- EPA staff received information from a combination of OCFO guidances, planning calls, alignment meetings, senior managers (e.g., DRAs for regional staff), and sometimes the states in their region. A few interviewees also noted the NEPPS guidance issued by OCIR. The states interviewed received information from both EPA regions and ECOS.

*“I did not get the sense of the roll-out from EPA of the whole change. The pilot project helped us to understand the nuances of the changes being made by EPA.” – State Program Manager*

*“We sat down and put together a planning chart that mapped out the strategic planning process with EPA from FY 04 to FY 06, and we mapped out ours on top of it and all of a sudden it all became understandable.” – State Planner*

*“Regional offices and state planning folks each have a few people who are aware of [their] responsibilities under the new system; otherwise, people are not aware.” – EPA DRA*

### Sample of Interviewees’ Ideas for Improvements:

- ➔ Increase level of information about specific and overall changes – particularly among the states and national programs.
- ➔ Create a visual road map of planning processes, including where the opportunities for influence or engagement are.
  - ➔ Determine a way to tailor planning schedules to states’ schedules – probably done at the regional and state levels.

## V. Experiences with Major EPA Planning Processes

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Over the past year, states interviewed and EPA interacted around PPAs, PPGs, and categorical grant work plans; EPA Regional Plans; EPA NPM Guidance documents; the regional annual performance commitments; and several other state-EPA initiatives. The planning alignment changes were intended to increase both the amount and quality of state engagement around major EPA planning processes. The interviews revealed mixed results.

### A. General State-EPA Joint Planning

- States interviewed and EPA conducted joint planning several times over the past year. Although the engagement around the Regional Plans, NPM guidance documents, and annual performance commitments played an important role, most of the joint planning and priority setting at the state and regional levels focused on the negotiation of specific state-regional commitments through PPAs, PPGs, and categorical grant work plan negotiations. Most of the states interviewed and regions also engaged around specific regional issues, priorities, or special projects.

## Alignment-PPA Work Group Evaluation Results

- Most parties noted several improvements to the major EPA planning processes and believed, despite some specific challenges, that the changes are headed in the right direction. Many were unclear about how the planning processes and the changes to them fit together.
- The ECOS pilot projects brought a new and positive level of engagement for those involved. On the whole, the pilot states interviewed and pilot regions were more involved than their non-pilot counterparts.
- Most of the states interviewed had difficulty seeing the bigger picture of EPA's national planning systems, how they all came together, and where their input fit in.
- The timing of the EPA national planning processes and the state-regional PPA/PPG and categorical grant planning cycles was substantially off in many instances, making the timing of state engagement in the national processes awkward and the motivation to do so less strong for several of the states interviewed.
- With a few exceptions, state input on EPA's plans, guidance documents, and performance commitments did not gain traction within EPA, particularly at the national level.
- The states interviewed and regions generally agreed that the regions are more in tune – and in agreement – with state perspectives on specific priorities, activities, measures, etc. than are the national programs.
- Some states interviewed expressed an interest (and some EPA national programs acknowledged this interest) in being more involved in development of national policies and programs, such as rulemaking.
- Interviewees widely agreed that all avenues for joint engagement – including ECOS, the national state professional media associations, regional organizations, and direct state-EPA involvement – play important roles that together comprise the full complement of opportunities and leverage points.
- With a few exceptions, state and EPA interviewees preferred face-to-face meetings over written comment-response and e-mail interactions.
- Due to state budget constraints, some states interviewed were less engaged in joint planning this year (beyond the minimal needed for PPA/PPG or grant management) than they would have liked to have been.

*“We had a meeting to bring states and tribes into the selection of national priorities. We got a lot of good feedback and they felt as though we were listening. It was a change that worked well for us and we will continue.” – EPA DAA*

*“States should be involved in the planning and making of choices; not just commenting on those plans and helping to carry them out.” – EPA National Program Planner*

*“There are so many discussions going on. It gets confusing.” – State Planner*

*“Overall, the costs today are worth it. Right now things are working very well.” – State Program Manager*

*“The overall process has been a major step forward. It has provided a good structural underpinning in the dialogue between HQ, states, and regions.” – EPA DAA*

*“[Our state] is more involved this year because of the region's persistence in pursuing state engagement. We believe it was a commitment coming from the DRA office, specifically.” – State Agency Director*

## Alignment-PPA Work Group Evaluation Results

### Sample of Interviewees' Ideas for Improvements:

- ➔ Involve senior leaders in those states, regions, and national programs that were not as engaged this past year, and involve them early.
- ➔ States and EPA should engage earlier, preferably during the conceptualization and document drafting stages. This is particularly true for national plans and guidances.
- ➔ Create a more formal process for elevation and resolution of state and regional ideas.
- ➔ Provide (timely) feedback to states that provide input. For specific issues and requests from states, provide a rationale for decisions.
- ➔ Identify a central contact for communication in each state, region, and national program.

### ***B. EPA Regional Plans***

States interviewed and EPA had mixed experiences around the joint work on the Regional Plans.

- State involvement was limited for a few reasons: Some regions invited states to participate late in the process (and over the winter holidays), the states interviewed generally agreed with the high-level priorities in the Plans (“no brainers”), and some of the states interviewed were not sure how commenting on the Regional Plans would benefit them in the long run.
- The timing of the Regional Plans development was out of synch with the timing of many state-regional negotiations. For the Regional Plans to reflect state-regional strategic priorities, planning, and agreements, they will most likely need to be updated annually.
- For the most part, the Regional Plans did not change as a result of state input. Input from the states in one region resulted in the region adding a new regional priority on effective program implementation.
- Of those interviewed states that provided comments on the Regional Plans, only a few received responses about how their input was or was not used. The states interviewed would have liked more information in this regard.
- None of the states interviewed thought that their state priorities were drawn out in the Regional Plans, however, several of these states agreed with the regional priorities in the Plans. Many regions found it hard to mesh state priorities into their Regional Plans.
- None of the states interviewed believed that the Regional Plans served as a conduit for raising state priorities or other state issues to the national programs.
- In general, with one or two exceptions, states interviewed and regions did not find the Regional Plans to be instrumental in fostering state-EPA joint planning or priority setting. However, many thought that the Regional Plans would be stronger next time and that many of the weaknesses this time around were a function of the Plans being new.

*“Earlier comments we had made on the [EPA national Strategic Plan] didn’t result in any changes. Then we made comments on the Regional Plan and those didn’t stick either because the Regional Plan also had to be consistent with the national Strategic Plan. They at the region didn’t seem to think that they could do a lot about what the national program wanted.” – State Program Manager*

### Sample of Interviewees' Ideas for Improvements:

## Alignment-PPA Work Group Evaluation Results

(These ideas assume that the Regional Plans will continue to be a vehicle for states and regions to discuss and reflect joint priorities and strategies and, as appropriate, focus on unique state priorities.)

- ➔ Provide more time for state engagement, more context for states to understand how the Regional Plans are relevant to them, and give feedback to states about how their input is or is not used.
- ➔ Update the Regional Plans annually to reflect significant changes in state-region joint priorities and agreements.
- ➔ Reflect more region-specific and state priorities and strategies rather than solely repeating national priorities.
  - EPA will need to determine if it is realistic for the Regional Plans to be responsible for communicating state priorities, given that they are *Regional* Plans.
  - EPA will need to determine whether and how the Regional Plans can and should influence the National Program Manager (NPM) guidance.

### C. *National Program Manager (NPM) Guidance Documents*

- Two national programs involved states in their pre-guidance drafting stage. Both of these programs said that the state input was valuable and helped to shape the draft guidances.
- Once the draft guidance documents went public, one program realized that, even though it had early input from states, its draft targets were far too ambitious. Subsequent feedback from a wider group of states and regions caused this program to reduce its target numbers.
- Relatively little engagement or state influence occurred after the draft documents were released, though several of the states interviewed read the documents and submitted comments directly; through the regions, ECOS, or the professional media associations; or verbally at national meetings.
- For the most part, the states interviewed did not receive responses to their comments and are still unsure if and how their comments were used. A few of the states interviewed received responses. At least one region provided written responses to its states. Some of the states interviewed cited responses such as, “Not this year, maybe next year.”
- In general, the interviewed states that reviewed the NPM guidance documents found the documents to be very long and dense, and it was difficult for them to identify what was most important to reflect upon, what was new, and in general, what was most relevant to them.
- States interviewed noted that having the NPM guidance documents released all at one time was helpful, allowing them to see the bigger picture across programs. Still, they would have liked to see more consistency across the documents in format and level of detail.
- Some of the states interviewed were unsure about how the NPM guidance documents connected to the other major planning documents and processes. Only a few of the states interviewed saw the connection between the Regional Plans, NPM guidance documents, annual performance commitments, and – ultimately – their commitments with the regions through PPAs, PPGs and/or categorical grant work plans.
- A few of the states interviewed expressed an interest in being more engaged during the drafting stage rather than during the post-draft commenting stage when they thought they would have less influence.

### Sample of Interviewees’ Ideas for Improvements:

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- ➔ Make the NPM guidance documents less dense and shorter. Highlight the changes from previous guidance documents and note where state review and commitment will be key.
- ➔ Make the format and level of detail consistent for all NPM documents so that if states need to “decipher” the guidance documents, they only have to learn how to do so once.
  - EPA may want to have the documents provide an indication of all of the anticipated annual performance goals or, alternatively, make the goals more general, but still highlight the non-negotiable bottom lines. In the latter case, the regions and states would then figure out how they are going to get there and have that be the “trickle up” as the basis of the annual performance measures.
- ➔ Help to “connect the dots” for states about how the NPM guidance documents directly influence the work that regions – and ultimately states – are asked to commit to.
- ➔ Strengthen the analytical component of state feedback on the documents.
- ➔ Provide responses to states about how their input on the documents is or is not used.
- ➔ Consider having all of the national programs involve states (as wide a representation as possible) during the target and guidance drafting stages.

### ***D. National Performance and Accountability Meeting & FY 06 Annual Planning Meeting***

- EPA interviewees were supportive of having the states at the meetings.
  - A few noted that the budget discussions were constrained by state attendance.

#### **Sample of Interviewees’ Ideas for Improvements:**

- ➔ Make the meetings more interactive and encourage real dialogue about difficult issues.

### ***E. EPA Annual Regional Performance Commitments***

The states interviewed appreciated having the opportunity to see the draft regional commitments. For some of the states interviewed, this information was like an “ah-hah” that explained the reasoning behind the regions’ requests for state commitments. For some of the other states interviewed, it was still difficult to see the relevance of the regional commitments to them, partially because the commitments were not broken out by state and partially because they had already agreed to their commitments with their regions.

- For the annual commitments to be useful to states, the commitments must be broken out by individual states. (Several regions took this extra step this year and it helped a lot.)
- Regions and states interviewed agreed that information on the rationale for the draft commitments was important and was missing from the system.
- States interviewed were primarily interested in whether the draft regional commitments translated into any changes to the commitments that they and the regions had already made.
- Some of the states interviewed and regions noted that the development of the annual commitments did not coincide with their state-regional negotiation schedule. The disjointed timing put some regions in an awkward position and resulted in several renegotiations (formal and informal) of existing agreements (PPAs and others). (See also, The Definitive Agreement.)

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*“There were examples where we and the region know that certain measures aren’t going to happen by 2008. We passed this on, but they are still there.” – State Program Manager*

*“The commitments we developed for our [program] were almost an order of magnitude too high compared to what states and regions claimed was possible. So we did accept a lower number. We should know how to do this better in the future as a result.” – EPA DAA*

*“The states’ fiscal years are different than the federal. This year, this made us go back to the drawing board when the annual commitments came out, which wasn’t good for state-EPA relations, but it was what we had to do.” – EPA Regional Planner*

*“We have concerns about not knowing what the regional commitments to [EPA] headquarters are or why they were created. We learned about them after the fact, even though they will require accomplishments/actions by the states.” – State Planner*

### Sample of Interviewees’ Ideas for Improvements:

- ➔ Disaggregate the annual performance commitments by state and include more context.
- ➔ Have the regions prepare information about how the commitments relate to existing/in-progress agreements with states. Be clear about the process for renegotiation, if applicable.
- ➔ Consider having an agreed-upon EPA “threshold” for renegotiation of state commitments. (See also, The Definitive Agreement.)
- ➔ Consider ways for the national programs and regions to be cognizant of the existing state-region commitments before developing the draft annual commitments.

### F. EPA Annual Plan and Budget

Making the connection between EPA’s other planning processes and the EPA Annual Plan and Budget – and state engagement on the Annual Plan and Budget – was not focused on during the past year and was not overtly part of the Work Group’s evaluation. A few interviewees noted that the lack of focus on the Annual Plan and Budget has implications on the state-EPA planning relationship.

- A few interviewees noted that the discussions of state budgets (both individually as they relate to follow through for supporting state priorities and collectively as an overall part of EPA’s budget) between states and EPA was missing, and that the connection between the other planning processes and the Annual Plan and Budget was not apparent (even though ECOS collects state comments on the Budget).
- The Co-chairs of the Alignment-PPA Work Group have acknowledged that increasing the awareness and participation of states would require work at least 18 months before EPA submits its final budget – and that state engagement is inevitably limited by the “closed door” nature of the federal budget process.
- A few interviewees (see example comment below) noted that EPA is working on the budget and its associated components (e.g., performance measures) far in advance of where the state focus is.

*“HQ is already completing FY 06 measures, while the states are still drowning in FY 04 measures.” – EPA National Program Planner*

*“If the budgeting hasn’t changed at all as a result of this planning effort, one has to question the planning effort.” – EPA DRA*

**Sample of Interviewees’ Ideas for Improvements:**

- ➔ Consider how to involve states in the budget in a way that helps to align resources with support for state and EPA planning priorities.

## **VI. Planning Alignment: What Has Worked & Where Attention is Still Needed**

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### ***A. Planning Process Alignment***

Interviewees generally agreed that the planning process adjustments made over the past year have been helpful, both for EPA’s internal work and for state-EPA joint planning and priority setting. The increased coherency, improved consistency, and logical progression from one process to another has resulted in better planning on the whole, even though there is still room for improvement. Because OCFO is covering alignment of EPA’s planning systems in its internal EPA process evaluation, this report does not go into detail on this topic. However, the Work Group’s evaluation revealed that the biggest remaining “disconnect” with planning processes is between state and EPA planning cycles, particularly around PPA/PPG and categorical grant negotiations and EPA national planning cycles.

Although a comprehensive nation-wide picture of the variation between state and EPA planning cycles is not available, data on the “effective” dates of PPAs and PPGs shows that approximately half of PPAs and PPGs take effect between January and July and the remainder – somewhat less than half – take effect either in September or October. This pattern suggests that approximately half of the state-EPA negotiations (at least for PPAs and PPGs) take place before or while EPA is working on its own internal decisions and commitments.

Interviewees made the following observations about state-EPA planning process alignment:

- It was more difficult for the states interviewed to see the relevance of the EPA national and Regional Plans to them when they had already negotiated their agreements with their regions.
- Both the states interviewed and the regions noted that the timing of the annual commitments was a challenge in those states and regions where PPAs, PPGs, categorical grants, and/or other state-regional agreements had already been negotiated. (See also, The Definitive Agreement.)
- A few of the states interviewed and regions developed a system for contextualizing or mapping the national planning systems against the state (or state-regional) planning cycles. Those that did so found the information to be helpful.
- In general, the disconnect between the state and EPA planning cycles inhibited the ability to achieve the intended results of the alignment improvements, e.g., states bringing forward their priorities in a timely manner for EPA decision making, and EPA regions having their draft annual commitments in hand prior to negotiating commitments with states.

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*“Generally there was enough time to comment, but that wasn’t key because EPA’s and [our state’s] planning cycles were off.” – State Planner*

*“As long as the planning processes are disjointed, it throws the staff in a tizzy when they say that we have to provide comments on X, people don’t see the connection between X, Y, and Z.” – State Planner*

*“One major state in [our region] expressed a major frustration – they wanted to be involved in the strategic planning and budgeting process. But they are frustrated because their planning horizon/schedules are not the same. There is not a planning or budgeting cycle with the states.” – EPA Regional Planner*

### Sample of Interviewees’ Ideas for Improvements:

- ➔ Have the regions and states determine a way to better plan for and coordinate the state planning cycles with EPA planning cycles. (Most likely, the regions and states will have to do most of the work.)
- ➔ Map out the state-regional planning cycles at the regional level to “connect the dots” and identify the key times for communication and negotiation.
- ➔ Additional improvements to alignment have already been mentioned under specific EPA planning processes. For example:
  - Improving the consistency of the NPM guidance documents.
  - Clarifying the role between the NPM guidance documents and the annual commitments.
  - Clarifying the expectations around the relationship between the Regional Plans and the NPM guidance documents.

## B. Alignment of Priorities

Interviewees from states and EPA agreed that there is general alignment between state and EPA priorities at a high level, though there was also agreement that when you go into more detail about the priorities the alignment sometimes breaks down – particularly when you examine the strategies or implementation plans.

- On the whole, neither the states interviewed nor EPA thought that alignment of priorities was a major issue.
- Some believed that disconnects would appear when you look below the priorities into strategies, operations, resources, and measures.
- As part of its pilot effort, one state found nearly 50 percent alignment between its state performance measures and its region’s performance measures.

**Ideas for Improvements:** Improvements at this time are not included because neither states nor EPA seemed to think that the issue of “priority alignment” is a major problem. Related issues about resource shifts, measures, etc. are being addressed separately.



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*“It is healthy to have differences [in priorities]. It doesn’t matter if you have the ability to reconcile differences between scales. It does matter if there are Chinese walls between priorities.” – EPA Regional Planner*

*“It would be too prescriptive and take too much energy if we tried to make them all match. It is more important to recognize the desire for common end results and outcomes – to protect the environment.” – State Planner*

*“It is okay to not share the same priorities; the only problem is when an EPA priority trumps [our state’s] priority.” – State Planner*

## VII. Focusing Resources on Priorities and Needs

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The evaluation examined the extent to which states and EPA have been able to focus resources on the most important priorities and needs. Interview questions asked whether states or EPA had proposed changes to resource focus over the past year, including new or innovative strategies (e.g., cross-media strategies), shifting of financial resources (e.g., provided by EPA through PPGs or categorical grants), different performance measures to achieve a traditional goal, etc. The results of this inquiry are as follows:

- Interviewees focused more on states raising issues or requests, as if this was more “out of the box” than when EPA raises issues or requests (or, according to some of the states interviewed, demands).
- A majority of state and regional interviewees were not aware of instances over the past year when states have made explicit requests to “do work differently” or otherwise shift resources.
- When the states interviewed did make requests, EPA sometimes accommodated the requests, but more often than not, EPA said that it was not possible, or that it was not possible at this time, to accommodate them. Sometimes, the reasons for objecting were not clear to the states.
- For the most part, states interviewed saw the regions as allies in their effort to make changes. Several states interviewed and regions noted that most of the “road blocks” for supporting state requests were from the national programs. In many instances, regions did not forward the requests to the national programs because they believed that the answer would be “no” – or that it was their “job” to do what the national programs asked of them without “pushing back.” In other instances, regions did forward state-based requests to the national programs, with mixed responses.
- Examples of where state requests resulted in a change or other action:
  - State input caused one national program to refocus its mercury priority.
  - The number of TMDLs that would be committed to by a number of the states interviewed changed as a result of state requests and negotiations. One region played a significant role in the negotiation process. (This was not the result for all of the states interviewed that raised issues about TMDLs, which was the most commonly cited issue raised by states during the interviews.)
  - A cross-media Environmental Management System pilot in one state required support from EPA headquarters. The region played a significant role in the successful negotiation process.

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- Alternative oil and gas mining approaches proposed by one state were supported by EPA Headquarters.
- At the request of states, a national review is underway on the national approach to EPA enforcement oversight.
- As a result of state (and regional) input, EPA adjusted its watershed measures.
- In general, the resource shifts that are occurring are happening at the margins and are largely taking place through the PPGs. The most common resource shifts are carry-overs of grant funds from one year to another. There is a common belief that large resource shifts are not an option, though it does appear that this belief has not been tested in the past few years.
- In several instances, states interviewed expressed an interest in using PPAs and PPGs to achieve greater financial flexibility – understanding that they would still be accountable for the activities, results, and measures already agreed upon with EPA.
- A few EPA interviewees noted that they were not aware of instances where state requests for alternative approaches were not at least seriously considered if there was assurance of improved environmental results.
- A few EPA national program interviewees noted that EPA has “bottom lines” (e.g., GPRA goals, statutory requirements, and legal requirements) and that regions and states do not seem to understand that they must contribute to achieving the “bottom lines.”
- A few interviewees noted that the tension around resource shifts is often not about the “what” (e.g., clean water) but about the “how” (e.g., watershed approaches, TMDL implementation) and about the amount of money that would be spent.
- In a few instances, regional staff, including DRAs, said that they are ready and willing to talk more about resource shifts and are waiting for the states to bring forward their ideas.

*“When there were disagreements or things that couldn’t be resolved, it was more like “too bad” [from EPA] or “we can’t do it now, we’ll look at it more next year” rather than explaining a process for resolving the issue....We would like specific feedback, including rationale, when EPA decides on an elevated issue.” – State Program Manager*

*“[The region] does what they can to accommodate [our state] and is willing to negotiate...” – State Program Manager*

*“The region wants [us] to account for every dollar regardless of whether it’s federal or state money. This makes it hard to change priorities or move money around.” – State Program Manager*

*“The region is ready to talk about the hard questions, such as the work that won’t be done.” – EPA DRA*

*“There is a lot of HQ resistance to disinvestments” – EPA Regional Program Contact*

### Sample of Interviewees’ Ideas for Improvements:

- ➔ States can make their requests and strategies for resource shifts clearer and their arguments stronger. (See also, Strategic Thinking.)
- ➔ EPA can make the criteria for consideration of alternative approaches clearer to states, e.g., would it make a difference if states prepared information about what performance measures would be used? (See also, Strategic Thinking.)

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- ➔ EPA can provide a rationale for its responses to state requests.
- ➔ EPA national programs can make their real, non-negotiable “bottom lines” more clear to regions and states.
- ➔ Regions can be more systematic about meeting the “bottom lines” routinely when making agreements with states.
- ➔ EPA could adopt a “trust but verify” approach to allow more innovation and more time before judging effectiveness of alternative approaches.

## VIII. Strategic Thinking

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The Alignment-PPA Workgroup introduced the concept of “strategic thinking” because both states and EPA had raised issues that the other party could and should do a better job of explaining the strategic rationale behind its practices and requests – and that improving the “strategic thinking” when making requests for flexibility, innovation, and/or resource shifts would increase the likelihood that the other party would be responsive. The concept of “strategic thinking” did gain some traction for a few of the states interviewed and regions that were investing in their own strategic planning initiatives, sometimes through pilot projects. However, it did not appear to be a strong factor supporting requests from the states interviewed or EPA for pursuing alternative approaches over the past year.

- A few of the states interviewed and regions noted that their strategic planning work (e.g., state strategic plan or EPA Regional Plan) helped to hone their state-regional priorities, including joint priorities, and, in general, state-EPA joint planning and priority setting.
- Most interviewees were unsure whether states and EPA had or had not used strategic arguments when planning and negotiating over the past year and did not consider strategic arguments to be a large factor in state-EPA relations.
- However, only a few interviewees thought that there was a lack of strategic backing to the requests or requirements that the other party brought forward. For example,
  - States interviewed noted that EPA did not provide a strong rationale for particular targets.
  - EPA interviewees noted that some states did not provide much information about how they would meet EPA’s targets if their state-suggested approach were to be implemented.
- There were no cited examples of instances where, for example, if a state had come forward with a more strategic idea, the idea would have gained more traction at EPA.

*“The [state’s] strategic planning work helped to improve the PPA cross-media chapters and reflect [the state’s] strategic goals in the PPA.” – State Planner*

*“States indicate they want to focus on flexibility, but have a hard time articulating what they want. This issue is high on everyone’s mind but we don’t have a strong grasp on it yet.” – EPA Regional Planner*

*“[One state] is best at [bringing forward its strategic ideas] because they have an elaborate state planning process that is tied to their budget... Other states don’t ask for much.” – EPA Regional Planner*

*“If [states] want to influence policy they need to provide the analyses to back it up...” – EPA National Planning Contact.*

### Sample of Interviewees’ Ideas for Improvements:

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- ➔ Given that “strategic thinking” was not seen by most interviewees to be particularly important, the Alignment-PPA Work Group may first want to decide whether to address it further. This question also relates to the “resource shift” issue, outlined previously. The Work Group may want to examine “strategic thinking” further if doing so might help to improve the ability to negotiate desired resource shifts for achieving improved results.

## IX. PPAs and PPGs

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Of the nine states interviewed, five have PPAs and six have PPGs. Nationally, 31 states have PPAs and 39 states have PPGs that cover at least two categorical grants. The interviewed states shared the following reasons for pursuing PPAs and PPGs:

- To achieve flexibility (two states).
- To provide a structure for strategic discussions and deciding on priorities (one state).
- To reduce burden, reduce over filing (a situation that occasionally develops when both a state and EPA are in a position to file legal enforcement actions), and reduce double inspections (two states).
- To achieve cross-media compliance and ability to talk about disinvestments (one state).
- To create one place to see what our state is doing (one state).
- To serve as a package with the PPG, which is very beneficial (two states).

During the interviews, three themes emerged around PPAs and PPGs: PPAs and PPGs are a major force for many of the states interviewed and regions; EPA national programs are not familiar with PPAs and PPGs, but have concerns about them; and there are mixed issues around PPAs being “definitive agreements.”

### *A. PPAs and PPGs Are a Major Force for Many (But Not All) States and Regions*

- PPAs and PPGs are the focal point of many state-regional joint planning relationships. For several regions and the states interviewed, PPAs and PPGs are the primary mechanisms for working on priorities and, where applicable, work plans and budgets.
- A majority of the state and regional interviewees think of PPAs and PPGs together as one package. A few interviewees made notable distinctions, particularly when only a PPA or PPG is in place.
- There was a wide range of opinions about the utility of PPAs and PPGs, ranging from very positive to quite negative (about PPAs). Some of the views – mostly negative – were held by states interviewed and regions that do not have PPAs or PPGs but have heard about the “baggage” that is sometimes associated with them.
- Several of the states interviewed noted that their PPAs were not truly bilateral – that only state commitments are included in their PPAs or that the EPA commitments are not reflected in a balanced way. Some believed that a more balanced, bilateral agreement would strengthen the equal partnership intended by their PPAs.
- In the past year, there have been some changes to PPAs and PPGs, but few were tied to the national alignment and PPA efforts. However, one region is promoting PPAs more as a result of the national effort to focus on joint planning with states.

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*“The grants people would have a heart attack if the PPG weren’t there and they would have to work again on all of the categorical grants.” – State Planner*

*“The PPA helps lay out the strategic structure. The PPA priorities and themes reflect our overall focus, position, and management of resources.” – State Planner*

*“The PPA is a forum for dialogue, but not optimal process. Somehow, it becomes another forum of ‘what are you going to do for us.’ We do not sit down to discuss mutual goals or what we want to mutually achieve.” – State Program Manager*

*“For the [program] the PPA has been beneficial. Day-to-day operation has been collegial over the past year and bean counting has been diminished.” – State Program Manager*

*“I would have hoped people would use PPAs for program management versus checking off a box to send to EPA.” – EPA DRA*

*“The EPA plans relate to the states through the PPAs and PPGs. The [EPA national program leaders] don’t understand PPAs and PPGs. The lower you go down in the HQ the less they understand about performance partnerships.” – EPA Regional Program Contact*

### Sample of Interviewees’ Ideas for Improvements:

- ➔ Continue to get the word out about PPAs and PPGs, including the improvements identified over the past year. Building on the successful PPG training for states and EPA in 2003-2004, provide information about PPAs and PPGs to dispel rumors and misinformation at all levels.
- ➔ Encourage multi-year (two- or three-year) agreements to minimize transaction costs, but allow for annual updates as needed. To the extent possible, coordinate the timing of agreements with the national planning cycles.
- ➔ Make PPAs more bilateral – reflective of meaningful state and regional commitments.
- ➔ Find ways to provide additional flexibility around the state match component of PPGs.
- ➔ Find ways to use PPAs to reduce oversight in a way that works for both parties.
- ➔ Build capacity for evaluation and continuous improvement from one PPA/PPG cycle to another – as well as lessons learned and best practices across the country.

### ***B. National Program Concern About PPAs and PPGs***

The evaluation also highlighted that EPA national programs are not very aware of or connected to PPAs and PPGs, and that this may be cause for concern for all parties involved.

- States interviewed and, in particular, regions raised concerns that EPA national programs do not appear to have a strong understanding of PPAs and PPGs, and that this causes tensions when the national programs ask the regions and states to do things that are not consistent with existing PPAs or PPGs – or also other agreements between states and regions. (See also, The Definitive Agreement.)

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- National program interviewees all said that they do not pay much, if any, attention to PPAs and PPGs because PPAs and PPGs are between the regions and states. One program does have an office that “oversees and troubleshoots” PPAs.
- A few national programs expressed opinions and concerns about PPAs and PPGs:
  - Concerns about a program “losing its identity” through PPAs and PPGs.
  - Perceptions that PPAs and PPGs allow states to not report to EPA on important measures such as those committed to by EPA under GPRA.
  - Concerns that PPAs and PPGs have caused unrealistic state expectations around what kind of flexibility is possible.

*“The problem is that there’s not much consistency from one PPA to the next... They’re hard to look at as the main planning document because each is so different from every other... They haven’t been a useful tool for planning or management.” – EPA DAA*

*“We need to find better ways to get money without getting involved in PPAs so that state [programs] do not lose their identity. If it’s in a PPA then it would lose unique focus and we don’t want that.” – EPA DAA*

*“There have been issues with permitting backlogs. The regions were not willing to negotiate PPAs that advances [our program’s] agenda... In some cases, we have had to create a settlement letter between the AA and the RA.” – EPA National Planning Contact*

*“We need to clear up misconceptions with states and regions regarding the Regional Plan and the PPA/PPG process – for instance, that the PPA/PPGs are work plans. The regions are still subject to HQ...” – EPA National Program Planner*

*“There is a fundamental problem – nobody knows what is actually in a PPA. HQ does not receive any PPAs or PPGs.” – EPA National Program Planner*

*“The largest single problem, however, is that PPAs and PPGs conclude that states do not need to report.” – EPA National Program Planner*

*“PPA accountability is not clear.” – EPA National Program Planner*

*“The process itself built unrealistic expectations, particularly regarding PPAs/PPGs. People want PPAs/PPGs to replace delegation agreements but that cannot happen due to legislation.” – EPA National Program Planner*

### Sample of Interviewees’ Ideas for Improvements:

- ➔ Increase national program awareness of PPAs and PPGs.
- ➔ Further integrate PPAs and PPGs – if not the state negotiation and agreement process in general – into the overarching planning work that states and EPA are undertaking. This would include additional integration into EPA’s major planning processes.
- ➔ Clarify the expectations between EPA national programs, regions, and states about how PPAs and PPGs relate to the commitments that the regions make with the national programs.

### ***C. PPAs (and Other Agreements) as “The Definitive Agreements”***

Interviews included questions around whether states or EPA raised requests that conflicted with existing PPAs. This topic garnered a range of responses. Some interviewees saw this as a “non issue” whereas others saw it as a major issue. Those who saw it as an issue think that this is a wider issue than simply that of PPAs and PPGs, and noted that “problems” are often not solely linked to PPAs or PPGs, but rather are sometimes related to issues around work plans or additional reporting requirements.

- Some of the states interviewed and regions do not have problems with their State-EPA agreements, including PPAs.
- Interviewees who cited problems tended to be more from the program level within the states, regions, and national programs (with the states interviewed and regions seeing more “eye to eye” than the national programs).
- The issues raised related more to PPAs that serve as PPG work plans – and also other (non PPA) work plans.
- Several of the states interviewed and regions cited examples of where EPA made requests/requirements that were not consistent with PPAs or grant work plans. Most of the time these were just “dealt with” and the PPAs/PPGs were not formally renegotiated.
- Interviewees did not cite instances where states made requests that were not consistent with existing PPAs.
- The leadership in a few regions is consciously working to make their PPAs more definitive. A few have standing agreements that the states can “push back” and strike deals if something in conflict with the PPA comes along mid-course. One DRA provided a few examples of this occurring – and the compromises that were struck between the states and the region.
- A few of the states interviewed and regions gave examples where one part of a PPA or PPG (usually funding for a grant) was “held hostage” by EPA until an issue with another part of the agreement was resolved.
- Conflicts that arise are generally addressed informally or become part of the next round of negotiations; formal “reopener” clauses are rarely used.
- There continues to be confusion about the relationship between PPAs and delegation agreements.

*“The PPA should be the single document that articulates the state-EPA relationship and the work that will be done.” – EPA DRA*

*“If HQ makes requests, the region gently asks the states to fit it in. If the states want the region to supply something, the region tries to accommodate them. We rarely [need to] modify the PPA if at all.” – EPA Regional Program Contact*

*“The PPA is the one document that controls the interactions with EPA: we haven’t seen many problems here.” – State Agency Director*

*“There are real problems with the states when we add things onto the Christmas tree after we’ve signed the PPAs and PPGs.” – EPA Regional Program Contact*

*“... We are guilty of more mid-course corrections [to PPAs] than are the states.” – EPA DRA*

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*“The region has an agreement with states: It will pass on any new guidance received by May 1, and states are not obliged to address anything that comes in later (in their PPAs) unless RA and state director agree.” – EPA Regional Program Contact*

*“I don’t see PPA as a contract; I see it as a flexible document. We aim to accommodate problems that come up at the senior level. The challenge is to document that approach in the PPA. It is important to focus on global environmental benefit, versus meeting commitments.” – EPA DRA*

*“There is quite a bit coming down from [a national program] that was not in the existing PPAs and the PPAs will have to be renegotiated. Sometimes we’re in agreement with states and have to figure out how we’ll communicate this with HQ.” – EPA Regional Planner*

*“We are working on the ‘one deal’ concept where all of the commitments we are asking of the states are in one place. Then HQ cannot change that next month because something has popped up unless it’s passed some kind of threshold, e.g., a court order. All documents should flow from this. No ambiguity, no confusion.” – EPA DRA*

### Sample of Interviewees’ Ideas for Improvements:

- ➔ Share the insights of the leaders who have made inroads in developing stable agreements.
- ➔ Consider developing national guidelines for making changes (including reporting requirements) to existing agreements, e.g., an agreed-upon threshold.
- ➔ Make progress toward tracking in one place all of the commitments – including grant commitments – with each state. This will help build capacity to know whether those agreements are definitive or not.

## X. Overall Value of Joint Planning and Changes Seen in Past Year

### A. Overall Value of Joint Planning

Although the states interviewed, regions, and national programs all agreed that joint planning is valuable, the extent to which they believe it is valuable varied a large amount.

- Several interviewees noted that joint planning and priority setting strengthens their state-EPA relationship and helps to focus work on environmental improvements.
- Several other interviewees noted that “planning” has “baggage” and seems like a distraction from getting the “real work” done.
- The regions in general thought that joint planning with states was very important, whereas the national programs (with a few exceptions) had concerns about too much emphasis on joint planning with states.
- There was general agreement that joint planning will pay off if it helps EPA and states to focus more on outcomes and results, and less on process and “beans.”
- Many interviewees noted that success comes from strong working relationships and trust.

*“Planning and management are two sides of the same coin and we need to get people to realize that.”  
– EPA Regional Planner*



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*“I have a high level of frustration right now with our Agency because it seems to me that a huge amount of resources that are going into process as opposed to results.” – EPA National Program Planner*  
*“States are key to [our Office’s] programs. The more [our Office] works with states, the better off the program will be.” – EPA DAA*

*“There is a lack of impact to what states add beyond what’s already in place.” – EPA National Program Planner*

*“The programs sometimes don’t think that the benefits are worth the costs because they don’t need the flexibility that the agency as whole needs.” – State Agency Director*

*“The key is to get the systems lined up so that we can have a results-oriented focus, then people will be able to see value added.” – EPA DRA*

*“Ideally, there should be state involvement before the implementation phase, which is where most of the engagement is now. States should be involved in the planning and making of choices, not just commenting and these plans and helping to carry them out.” – EPA National Program Planner*

*“This stuff is hard work, it’s about relationship building. As strange as it may seem, you actually have to trust one another. Our meetings over time have been building long-standing relationships. This allows us to disagree without being disagreeable. The planning and all of those other tools are just tools for working with the rest of it.” – EPA DRA*

### ***B. Overall Changes Seen in the Past Year***

Interviewees’ perspectives on the overall changes over the past year ranged from “no change” to “substantial change.”

- Many interviewees at the states, regions, and national levels did not notice any substantial changes to joint planning or the state-EPA relationship over the past year.
- Although some noted progress toward the “equal partnership,” several interviewees from both states and EPA noted that states are not fully treated as equal partners.
- Several of the states interviewed have a better understanding of how EPA works than they did a year ago – and that the understanding has led to knowing where the opportunities for influence lie.
- Several of the states interviewed also noted that EPA seems to be taking their input more seriously, though some thought this was a “top-down” mandate that is not shared at the EPA staff levels.
- Most interviewees thought that the transaction costs incurred over the past year were worth it and that some of the transaction costs will be reduced as the processes continues to be improved over the next few years. A few interviewees thought that the transaction costs incurred over the past year were not worth the results. (These interviewees also tended to be more skeptical about the value of joint planning in general.)
- State and EPA interviewees agreed that real results and real “gives” will be needed to keep states interested and engaged over time.

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- The interviewed states and regions that were involved in the ECOS pilots had more positive reflections about the past year than did the non-pilot states and regions.
- Although there has been progress in some instances, there is still tension around the national programs “calling the shots” and the states and regions being “disempowered.”
- Several interviewees see a need for strong, consistent senior leadership for momentum to build. They were concerned about the departure of some of the current leaders.
- There was widespread agreement that there is still substantial work to be done, and that these changes will take time.

*“In the past year... the relationship has been strengthened... I am really optimistic about the trend continuing... We have a bright future. We are stronger in this regard than we’ve been for a while.” – EPA DRA*

*“We plan to do even more planning in the future, and although we know that the transaction costs will increase, we think that the increase in the benefits will be worth it.” – State Planner*

*“The results are not worth the transaction costs. If [this effort] can evolve into a truly integrated planning process, it would have potential to be worth the transaction costs.” – Regional Program Contact*

*“This will take time. We’re evolving to the point where we can focus on specifics rather than text and the strategic plans that say that, “Clean water is good for everyone.” – Regional Program Contact*

*“The transaction costs are high but worth it... It is easier to do whatever the region wants, but it’s worth having the conversation or else we wouldn’t get anywhere... We put a premium into figuring out better ways for [our state] to do things.” – State Program Manager*

*“If you don’t have people at the top who care, there’s no reason that, with the culture of EPA, this would have any traction.” – EPA DRA*